

TENNESSEE REGULATORY AUTHORITY



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TRA to Issue Final Report on Utilities' Y2K Status

NASHVILLE – A soon to be released report on the Y2K readiness of the state's regulated utilities shows that roughly 8 out of 10 utilities surveyed have either completed or are more than 90% completed with their compliance projects. And an even higher number of companies have stated that they expect no disruptions to their operating systems as a result of Y2K.

These are the primary findings contained in a two-part report titled, "Status of Utility Preparedness for the Year 2000: A Second Report by the Tennessee Regulatory Authority." The survey was issued in June of this year to determine the level of Y2K preparedness of the (63) utilities regulated by the TRA.

Regulated utilities are defined by Tennessee Code Annotated 65-4-101(a) "as for-profit utilities, which are under the jurisdiction of the TRA for service and rate regulation."

The report also presents the survey results of (185) natural gas distribution systems also under TRA jurisdiction. Unlike the utilities for which regulation is provided for rates and service, the TRA's jurisdiction over this group extends only to the area of safety regulation.

Part I of the report, which focuses on the 63 regulated utilities, looks at the three phases of Y2K preparation: **Inventory, Assessment, and Remediation** and **Testing**.

The "Inventory" phase includes all "applications, databases, files, hardware and other system components" germane to date data and date processing. Of the utilities surveyed, 74% are 100% complete with this phase.

The “Assessment” phase involves determining where data systems are used within the inventory and whether they are impacted by Y2K. Of those surveyed, 71% reported that they are 100% complete with this phase of testing.

The final phase involves “Remediation and Testing.” Remediation involves the repairing or modification of systems that potentially can be negatively impacted by Y2K, while Testing ensures that the actions taken to repair the systems are effective. Of those surveyed, 80% of the regulated utilities report to either be complete or 90% complete with this last phase.

“Much work has been done to date on the issue Y2K. But we continue to encourage the utilities and gas operators to remain vigilant and to take the necessary steps to avoid any disruption of service on January 1, 2000,” says TRA Division Chief, Eddie Roberson.

Part II of the report focuses on Tennessee’s natural gas distribution systems. These systems are organizations that distribute or sell natural gas to end users or other distributors.

Of those surveyed, approximately 60% reported that their “operations would not be effected” by the start of the new year.

Says TRA Gas Pipeline Safety Chief, Glynn Blanton, “These operators are typically small natural gas systems, master meter operators, or direct sales customers. They either have no computers or have distribution systems that are not directly controlled by computers.”

And of the remaining 40%, Blanton says that half are either Y2K compliant or have completed their contingency plans, with the other half still working towards completion of their contingency plans.

A more detailed analysis of the report will be posted on the TRA website at www.state.tn.us/tra on October 29th.

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